SUMMARY OF FACTS

10. **Broswers and Netscape: New Frontiers** -- One of Netscape's co-founders, Marc Andreessen, conceived of the graphical browser while he was a computer science student at the University of Illinois. In 1993, he and a team of fellow students at the University of Illinois did the software development work necessary to translate Marc's vision into reality, and the University of Illinois then distributed the browser, under the name "Mosaic," for non-commercial uses over the Internet. The concept of the graphical browser was an important technological breakthrough; before the graphical browser, those using the Internet could not easily exploit the multimedia potential of the Web. Moreover, before the invention of the browser, users of the Internet tended to be limited to those with sophisticated computer skills, such as academics, university students, and industry and government researchers. As word of the Mosaic browser spread, however, a growing

number of people who were not heavy computer users also found they were able to browse the Web.

11. By the time Marc left the University of Illinois to move to California, he was aware of the commercial potential for the browser. He had seen the excitement that followed the introduction of his Mosaic browser, and knew there was already an unfulfilled demand for commercial browser licenses. He had also begun to think about related Internet-oriented software products with commercial usefulness. At about the same time, Jim Clark, Netscape's other co-founder, also began to focus on the commercial potential of the Internet. Their shared vision about the commercial significance of the Internet led Marc and Jim to co-found Netscape in April 1994.

12. The engineers at Netscape, including most of the team that had developed the Mosaic browser, created an entirely new browser between the time of the founding of Netscape and the end of 1994. This new browser, called Netscape Navigator, revealed new advances in browser technology that further hid the technological complexities of the Internet from the end user. Its introduction into the marketplace had a profound effect; the product was an immediate and huge success precisely because of its ease of use and its ability to bring so much new multimedia information to the consumer.

13. With the extremely rapid growth in the number of Netscape Navigator users, the Web itself exploded with new activity as individuals and businesses

scurried to set up websites that would draw traffic from the ever-expanding "Web community." Entire new job categories, such as those of "webmaster" and "Internet publisher," came into being to meet the need for individuals with Internet software knowledge and experience. Companies throughout the world began looking at the possibilities of electronic commerce and communications. In other words, Netscape's browser helped to open a huge new commercial frontier: the Internet.

14. Today, the Web constitutes a growing marketplace for the buying and selling of goods, services, and information ranging from automobiles to vacation rentals to out-of-print books and recordings. A recent report on the Emerging Digital Economy issued by the Department of Commerce projects that by the year 2002, the Internet may be used for more than $300 billion worth of commerce between businesses. By virtue of the Web's popularization, millions of people now often read their morning newspaper from their computer screen, which allows for the scanning of large amounts of information in a short period of time. Indeed, consumers can now receive late-breaking news updates without specifically seeking them out. Such is the new information driven world, a world that was brought to consumers and adopted by millions as a result of Netscape's commercialization of its web browsing and other related Internet technologies.

15. One of the new job categories that was spawned by the introduction of the

browser was that of Internet software developer. This job category has become increasingly important with the growing realization that the browser is not only useful for browsing the Web but also can serve as a platform for the development of all sorts of network-centric software applications, such as online-banking software products. These network-centric applications, in essence, sit on top of the browser and take advantage of its Web-oriented functionality. In addition, the widespread distribution of Netscape Navigator facilitated widespread distribution of the Java programming language developed at Sun Microsystems. Java allows software developers to write cross-platform applications that will run on any operating system, increasing consumer flexibility and ease of use, while reducing development costs associated with writing an application and then porting it to run on various different operating systems. For businesses that utilize many different operating systems (for instance several versions of Windows, the Macintosh operating system, and UNIX), this ability to implement cross-platform applications can substantially reduce software support and training costs. Netscape's browser, using Java, provided both the technical means and the broad distribution to offer a new "super-platform" for developers of network-centric applications. This platform aspect of the browser, and the cross-platform benefits of Java, allowed for the development of software applications that were directed more to the Internet than to the desktop, and

thus had the potential to serve as a partial substitute for the Windows OS as a development platform.

16. Netscape's browser products received a tremendous amount of mainstream press coverage. This press coverage, combined with Netscape's marketing efforts, helped foster what became the Internet "phenomenon." Since the introduction of Netscape's browser, productive use of and access to the Internet are advocated by well respected business people, such as Bill Gates, and have become the mantra of many well known political figures, including Vice President Al Gore. Because the Internet opened up a whole new world of possibilities for every consumer and business person alike, the entire computer industry was revitalized.

17. Although Microsoft very recently has tried to suggest that its own corporate Internet strategy dates back to April 1994, this is inconsistent with prior statements of Microsoft executives, including Bill Gates. On December 7, 1995, Mr. Gates indicated that the Internet phenomenon had caught Microsoft by surprise. Indeed, according to a report in Newsweek magazine, Microsoft had only 4 people working on developing a browser in January 1995. It was not until May 1995 that Mr. Gates told his executive team, "Now [emphasis added] I assign the Internet the highest level of importance." (Newsweek, "The Browser War" April 29, 1996, p. 47). Microsoft, like many other companies, began revising its business plans to

take into account the advantages of Internet technology. Unfortunately, unlike other companies, Microsoft's new business plans also included plans for how to eliminate Netscape as a competitor because of the threat the browser posed to Microsoft's Windows monopoly. As I later discuss, those plans included tactics designed to use Microsoft's monopoly power not only to defeat Netscape but, using an "embrace and extend" model, to extend the proprietary Windows technology ultimately to the Internet itself.

18. **Netscape's Early Business and Distribution Successes** – Capitalizing on the burgeoning electronic-commerce marketplace and the development of platform-independent software, Netscape rapidly enjoyed great success in the distribution and use of its browsers and in the revenues it received from browser licensing. The commercial release of Netscape Navigator 1.0 occurred on December 15, 1994. By the end of the second quarter of 1995, Netscape had collected over $10 million in revenue generated by the browser alone. By the end of 1995, Netscape had collected approximately $45 million in revenue from browsers. Given the young age of the company, these numbers are significant standing alone. However, what is even more significant is that Netscape generated this kind of distribution and revenue with a very small staff of order takers, reflecting the strong demand for our product.

19. Netscape was also successful in opening a variety of distribution channels.

First, Netscape was able to sign up many of the world's largest OEMs in 1995. The OEM distribution channel was important to Netscape's continuing success because people were buying computers to get connected to the Internet. Thus, a browser installed on a new machine purchased by a new computer owner was very likely to continue to be used by the new user. Second, Netscape was able to establish a large number of relationships with ISPs. ISPs provided the mechanism through which people could actually get connected to the Internet. Clearly, a user who is signing up with an ISP is doing so to be able to access information on the Internet. As with OEM distribution, if a user obtains a browser in conjunction with signing up with an ISP for Internet access, that user is very likely to adopt and stay with the browser distributed by the ISP. Netscape was also very successful in the area of direct sales to corporations, direct retail sales to consumers, and through downloading via the Internet.

20. Although Netscape distributed the beta (i.e., pre-release) version of Netscape Navigator 1.0 free on the Internet, Netscape's business model in the early days reflected our intention to charge customers to use the browser. Consistent with this intent, soon after Netscape rolled out its retail release on December 15, 1994, Netscape made it clear to the world that Netscape would charge for Navigator. The initial price for a Navigator license was $39. With regard to the consumer market, Navigator was available for a free trial

download for a limited (90-day) period, but the Navigator license explicitly required consumers to pay for the browser after the evaluation period. As Netscape's browser revenues reflect, customers did pay. With regard to the enterprise, OEM, and ISP markets, Netscape always charged a significant fee for its browser -- even in situations where the purchaser intended to distribute Navigator for free to its customers -- such as in the ISP market. The only exception built into Netscape's pricing structure was to provide the browser free to the education and non-profit market. Even in this area, Netscape's plans with regard to distribution of the browser had a profit motive: educational users who liked the product would want to use it when they entered the business market, and such distribution built strong brand awareness that was certain to have positive economic effects in the future.

21. Netscape's revenue growth in 1995 was so great that the company was named the fastest-growing software company in history. During this phase of growth, we continued to build out the infrastructure of our business, adding new employees, new programs for software developers, new marketing programs, new sales offices, and, of course, continuing to focus on building great Internet software. Our employee base grew from approximately 100 people at the end of 1994 to approximately 500 people by the end of 1995. In 1995, we received more than 20 product awards for Netscape Navigator. And in 1995 we completed a highly successful IPO.

22. **Microsoft's Response: Play Ball or Else** – As stated above, Microsoft did not fully appreciate the shift represented by the Internet phenomenon until after the debut of Netscape Navigator in late 1994. One of the first steps Microsoft took in response to its growing appreciation of the significance of the Internet was in December 1994, when it obtained a license to use and redistribute the Mosaic browser code originally developed by Marc Andreessen and his team of fellow students. This license came from a company, Spyglass, that had obtained rights to the code from the University of Illinois. Based on press reports, Microsoft agreed to pay Spyglass royalties for the Mosaic code, and expected to use this code as the basis for its own commercial browser product.

23. During this same time period, Microsoft and Netscape engaged in a number of conversations, including discussions relating to technical standards issues and efforts to explore a possible cooperative arrangement between the companies. This goal seemed reasonable enough; what I did not imagine at the time, however, was that Microsoft's actual goal was to attempt to convince Netscape not to compete for the vast majority of the browser business -- the business related to the Windows 95 platform -- and to destroy Netscape's business if it refused to agree not to compete.

24. Although my meetings and discussions with Microsoft prior to our June 21, 1995 meeting seemed as if they might be productive, I was concerned about

Microsoft's possible motives and Microsoft's ability to severely impede Netscape's ability to compete if Microsoft chose to use its monopoly power in the operating system market. Unfortunately, as I learned on June 21, these concerns were justified.

25. At the June 21 meeting, I experienced something I had not ever seen happen in my more than thirty years of experience with major U.S. corporations, including IBM, Federal Express, and McCaw Cellular Communications. Microsoft, led by Dan Rosen, came to Netscape under the guise of attempting to set up some sort of cooperative agreement with Netscape. However, rather than proposing potential productive areas of cooperation, Microsoft apparently came to Netscape with a single focus: to convince Netscape not to compete with its Windows 95 browser product, Internet Explorer. Microsoft proposed a division of the browser market between our companies: if Netscape would agree not to produce a Windows 95 browser that would compete with Internet Explorer, Microsoft would "allow" Netscape to continue to produce cross-platform versions of its browser for the relatively small market of non-Windows 95 platforms: namely, Windows 3.1, Macintosh, and UNIX. Moreover, Microsoft made clear that if Netscape did not agree to its plan to divide the browser market, Microsoft would crush Netscape, using its operating system monopoly, by freely incorporating all of the functionality of Netscape's products into Windows. Several other issues were discussed in the

meeting, including technical specifications that Netscape needed to make its browser compatible with the upcoming Windows 95 release (assistance that Microsoft normally provided to ISVs such as Netscape), the possibility that Netscape would adopt certain Microsoft technologies and that Microsoft would adopt certain Netscape technologies, the possibility of Netscape becoming what Microsoft called a "preferred" solutions provider, and the possibility of Microsoft taking an equity position in Netscape. Near the end of the discussions, I asked Dan Rosen if Netscape's ability to obtain necessary technical specifications was conditioned on agreeing to Microsoft's proposal to divide the market and take an equity position in Netscape. He said that "It certainly isn't independent."

26. I left the meeting stunned that Microsoft had made such an explicit proposal. And I was surprised at the degree of threat to the Windows monopoly apparently perceived by Microsoft, especially because Internet Explorer product had not yet even been introduced and would not be introduced until after the release of Windows 95. Moreover, Netscape Navigator was a software application with platform characteristics, but it was not an operating system, like Windows. Given these facts, Microsoft could only have had one goal: to obtain and control a significant proportion of the future growth of the Internet.

27. **Microsoft Makes Good On Threats** -- Netscape refused Microsoft's

proposal and prepared itself to deal with Microsoft's threats. But I did not anticipate the extent to which Microsoft would use its monopoly power over operating systems to take specific actions designed to destroy Netscape's ability to compete in the browser marketplace -- or at a minimum, to so disrupt our browser-generated revenues that it would impede our ability to continue to pose a competitive threat.

28. On December 7, 1995, Microsoft announced its Internet strategies. Bill Gates told the world that Microsoft's browser would be given away for free, and to the reported glee of Microsoft's executives, Netscape's stock price fell almost $30 per share. I knew that Microsoft would incur considerable cost in developing and distributing its browser, but I also knew that Microsoft's overwhelming share of the operating system and office-suite software market provided Microsoft such enormous resources that it could make good on its announced plan. What I subsequently experienced was that Microsoft not only gave away its browsers for free; it actually, in effect, ended up paying many customers to license Internet Explorer instead of Netscape Navigator. In 1996 and 1997 I learned of repeated instances of Microsoft providing free products, free services, free advertising, and even in some cases substantial financial payments for each copy of Netscape Navigator removed from an installation and replaced by the free Internet Explorer. Even though Netscape constantly revised its pricing structure, it was impossible to stay

competitive with "better than free." These actions also threatened Netscape's ability to continue to innovate. As Microsoft was well aware, Netscape's business model depended on browser revenue. Cutting off Netscape's browser revenue would mean Netscape would not have dollars to funnel back into continued product development, as Bill Gates announced to the Financial Times of London in June of 1996.

29. On December 7, 1995, Microsoft also publicly announced that it would be bundling its browser into with its Windows operating system. Analysts noted at the time that, given that there were over 100 million users of Windows software, Netscape's ability to distribute its browser would be key to its ability to compete with Microsoft. Recognizing the importance of distribution to Netscape, Microsoft then began to use its market power to extract exclusionary deals with many of the largest OEMs and ISPs -- the two most significant Internet software distribution channels in the maturing market.

30. With respect to the OEMs, Microsoft made clear through its words and actions that PC computer manufacturers should not get too close to Netscape or there could be negative consequences in their dealings with Microsoft. This was a serious matter for those OEMs; without a Windows license, and without cooperation from Microsoft in general, their P.C. businesses are worthless. Netscape had signed distribution contracts with a number of these OEMs in 1995, but during 1996, as Microsoft became more aggressive

in its efforts to slow down the distribution of Netscape Navigator, it became increasingly difficult for Netscape to get its products effectively distributed through this channel. For OEMs, like Compaq, that wanted to delete the desktop icon for Internet Explorer and put a Netscape Navigator icon on their computer screens, (reflecting the popularity of the Netscape browser, and thereby increasing the value of the PC), Microsoft threatened to terminate their Windows licenses, which would have put them out of business. Microsoft also offered a variety of financial incentives to these OEMs to "prefer" Internet Explorer over Netscape Navigator, including reductions on license fees for various Microsoft software products. In 1996 Microsoft imposed a new license restriction on the OEMs, one requiring that the first, or "boot-up," screen be controlled by Microsoft rather than the OEM, so that, as Steve Ballmer, Microsoft Executive Vice President, told Forbes magazine, Netscape's browser would not be able to take over the desktop.

31. With respect to the ISPs, Microsoft again entered into restrictive contracts and offered a wide range of financial incentives in exchange for the commitment of the ISP to "prefer" Internet Explorer over Netscape Navigator. Microsoft's campaign to limit Netscape's access to the ISP channel was especially strong with respect to the larger and more visible ISPs, such as America Online ("AOL"), who were offered placement on the Windows desktop in exchange for exclusionary treatment of Netscape's

browser. As I learned from Steve Case of AOL, this placement on the Windows desktop was extremely valuable to the ISPs; it meant they had immediate access to Windows users – who constitute over 90% of PC computer users – without incurring the substantial hard-dollar costs associated with other distribution methods. Given Microsoft's extensive investment in Microsoft Network ("MSN"), its own on-line service offering, the offer of desktop placement to competing online service providers like AOL was particularly revealing about how seriously Microsoft took the Netscape browser's threat to the Windows monopoly.

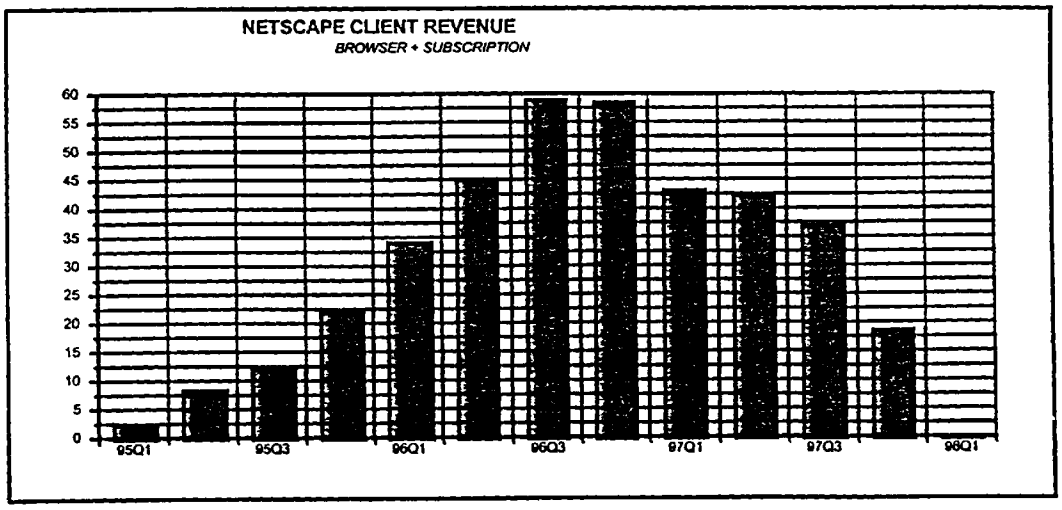
32. It is important to understand why distribution through the OEM and ISP channels is so important. Less sophisticated computer users in particular are much more likely to use the browser that comes on their computers, or that comes as part of their Internet access service, than to download from the Internet. OEM and ISP distribution constitutes the primary means through which most users -- particularly home and unsophisticated users -- have gotten their browsers in recent years. Moreover, once a user starts with a given product, he or she tends to stick with that product. This means that if a new user is not presented with a choice of browsers at the time they buy a new computer or subscribe to an ISP service, and are offered only Internet Explorer, it becomes that much more difficult to convince them at a later time even to try the Netscape browser. In comparison with the OEM and ISP

channels, other methods of distribution, while obviously important, are less valuable. For example, while Netscape achieved some of its early success through distribution by downloading from the Internet, and necessarily continues to rely heavily on this channel of distribution, downloading today can take a long time to complete and requires some level of computer knowledge and sophistication. Another frequently referenced method of distribution of software is through large-scale, unsolicited mailings of computer disks ("CDs"), a method referred to as "carpet bombing." Carpet bombing is disproportionately expensive for a company, like Netscape, that does not have an expectation of a future stream of associated monthly usage fees to offset the cost. Similarly, retail distribution of a free software product is economically impractical.

33. Microsoft also engaged in other predatory acts designed to prevent Netscape from competing in the browser market. I began receiving reports of technical problems that resulted from using Netscape in conjunction with certain Microsoft products and in conjunction with accessing certain Web sites. Microsoft also made it difficult for Netscape to license certain important technologies -- although it made those same technologies available to other developers for free. The preceding list of Microsoft practices is by no means an exhaustive list -- simply a summary of actions to be detailed below.

34. **Effect of Microsoft Conduct on Netscape and Consumers** – Microsoft's

anticompetitive practices directly affected Netscape's ability to compete. These effects manifested themselves in many forms. The most significant include a marked decrease in Netscape's browser market share over time, as well as a marked decrease in our browser revenue over time, leading to its ultimate elimination this year. In the first quarter of 1996, before Microsoft's practices began having their intended effects, Netscape had over 70% of all browser users and derived approximately 70% of its license revenue from client licenses. The following graphic depicts Netscape's browser revenues over time, and demonstrates the affects of Microsoft's practices on Netscape:



35. Given the nearly exponential growth of the Internet, if Microsoft had not engaged in its anticompetitive practices, it is my belief and was the expectation of Netscape that Netscape would have been able to continue on its mid-1996 trajectory. However, Microsoft's practices had dramatic and

direct results. By October of 1998, Netscape's market share is estimated to be somewhere between approximately 40% and 50%, depending on the market segment considered, and it now derives 0% of its revenues from browser licensing. These market share effects are felt most dramatically with regard to new home users, who generally acquire their browsers through purchasing an OEM built computer or through their ISP. According to a September 1998 study by IDC, Netscape's market share for new home users has declined from 51% in 1996 to 35% in 1998.

36. Moreover, consumers are directly affected by Microsoft's practices. By trying to destroy innovative companies like Netscape, Microsoft has sent a message to the industry -- if Microsoft perceives that your success has the potential to undermine Windows in any way, Microsoft will do everything in its power to destroy you. The end result is reduced innovation, and thus, fewer choices for consumers.

37. Microsoft alleges that Netscape lost market share to Microsoft because Microsoft improved the quality of its products to a level exceeding that of Netscape's products. While Microsoft did improve its products over time (as did Netscape), this improvement did not result in the loss of market share -- and revenue -- that Netscape has endured since Microsoft began its pattern of anticompetitive practices. As of the 1.0 and 2.0 releases of Netscape Navigator and Microsoft Internet Explorer, it was clear that the industry and

consumers perceived the Netscape product as superior in every way. As of the 3.0 releases of both products, Netscape's product was still perceived by most as the superior product. As of the 4.0 releases of the products, the best that can be said for Microsoft is that the Netscape product and the Microsoft product have some level of parity of features and functionality. Even with regard to the 4.0 releases, however, Microsoft's reviews have suffered because of its lack of stability. Thus, even if Microsoft's products and Netscape's products were considered to be equivalent, such parity does not and could not explain the marked reduction in revenue and market share that Netscape suffered as a result of Microsoft's exclusionary and other anticompetitive practices. Based on the reports of Microsoft's practices I was hearing every day, combined with the empirical loss of revenue Netscape suffered as a result of Microsoft's practices, it would not have been totally outrageous for Netscape to do exactly what Microsoft wanted: stop innovating with our browser product. However, we did not do so and, as stated above, at best the current reviews give the Netscape and Microsoft browser offerings similar ratings.

38. **Remedy** – Based on the practices that my company and I have experienced in the last three years, and based on my understanding of Microsoft's ability to and current practice of distributing Internet Explorer separately from its operating system products (which it does for use with other operating

systems), I believe that an appropriate remedy would be to order Microsoft to distribute Internet Explorer separately from its operating system products and to prohibit Microsoft from entering into exclusionary contracts relating to distribution of Internet Explorer. In particular, one of the consumer advantages that Microsoft uses to argue in favor of its so-called "integration" of the browser and the OS is the ability of its browser to browse information located on distant sites (such as the Internet) and on local sites (such as a computer's hard drive) in a consistent fashion. This, however, as well as a host of other advantages that Microsoft claims to have achieved by "integration," does not justify what Microsoft calls its "integration" of the OS and the browser, because the Netscape browser, when installed on Windows, is capable of accomplishing most if not all of the same tasks with the same benefits.

39. While the situation is not beyond recovery, it is critical to have relief from Microsoft's foreclosure of distribution and other predatory acts as soon as possible. Microsoft's actions have stifled competition, which ultimately threatens innovation and lessens the likelihood that consumers will have a free choice to select the products they want at the lowest possible price.

DETAILED DISCUSSION OF FACTS

MY BACKGROUND

40. I graduated from the University of Mississippi in 1965 with a degree in Business Administration. By the time I graduated from the University of Mississippi, I had set my sights on IBM as my first employer. I worked in sales at IBM from 1965 until 1972, first as a salesman in the Memphis office, and then in a staff position in Princeton in IBM's finance industry market. During my time at IBM, the IBM culture and training programs focused extensively on developing customer relationships, customer service, and acceptable business conduct, namely ethics and how to treat customers with respect. The training I received at IBM substantially shaped the way in which I do business -- even today.

41. I left IBM in 1972 to work with a group of friends starting a business focused on buying, selling, and leasing used IBM computers. The company was called Econocom and was a subsidiary of Cook Industries ("Cook"). Later, I handled the data processing for the entire Cook enterprise, which at the time encompassed a variety of businesses varying from real estate to commodities to agricultural chemicals. In the late 1970's, Cook sold off its data processing division to Federal Express, which was just starting out in Memphis. I stayed at Cook for another six months, as President of its insurance subsidiary.

42. In 1978, I was recruited by Federal Express to run its Management Information Group. I joined Federal Express as a Senior Vice President, and I ultimately became Executive Vice President and Chief Operating Officer at Federal Express, a company that then employed 90,000 people worldwide. Under my direction, my team built the largest single-image IBM Information Management System in the world. The Federal Express Information Management System tracked airplanes, trucks, vans, and the parcels themselves. Based on the system my team developed, I believed Federal Express could be thought of as a systems company that happens to be in the transportation business. The Information Management System essentially was a communications network. During my tenure, I acquired necessary communications equipment, such as private radio networks and all-digital dispatch systems, and linked them to the computer system in a way that allowed any customer to call in at any time and track the status of a package using a simple tracking number. My Federal Express experience allowed me to gain valuable experience in developing an extensive communications network from the ground up. While I was Executive Vice President and Chief Operating Officer from 1984 to 1991, Federal Express' sales grew from $1 billion to $7.7 billion, and its operations expanded to 135 countries.

43. I was recruited from Federal Express in 1991 to join McCaw Cellular Communications ("McCaw"). At McCaw, I had the opportunity to participate

in the development of another extensive communications network. Prior to the time I joined the company, Craig McCaw, founder of McCaw Communications, had taken a step that many thought was crazy. Because he foresaw the coming of age of the wireless communications industry, Mr. McCaw borrowed almost $5 billion to finance a national cellular network. I started as President and Chief Operating Officer at McCaw during a critical expansion period for the company. I believed the wireless communications industry had tremendous potential given the growing popularity of all types of wireless communications -- cellular phones, pagers, fax machines, and wireless e-mail -- and that Mr. McCaw had made the right decision. McCaw grew at an incredible rate, and in 1994, AT&T purchased McCaw for $11.5 billion. I was recruited from McCaw to become Netscape's President and CEO shortly after McCaw was acquired by AT&T.

44. I first became interested in Netscape after reading an article about the company in a July 1994 article in Fortune magazine entitled "25 Cool Companies." Soon after I saw the article, Jim Clark, now-Chairman of Netscape, and John Doerr, of Silicon Valley's premier venture-capital firm, Kleiner Perkins Caufield & Byers, came up to Seattle, where I was then living, to meet with me. Doerr had just offered to help fund Netscape, and his company was highly regarded for putting together top-notch management teams for the companies it chose to fund. I was still with McCaw and didn't

want to take on any new commitments until McCaw's merger with AT&T was completed, but I did agree to become a member of Netscape's board of directors. I joined the Netscape Board of Directors in October 1994.

45. As I served on Netscape's board of directors, I saw many ways that Netscape's software could help improve business processes and communication. I decided to accept Jim Clark's offer to lead the company, and on January 16, 1995, I became president and chief executive officer of Netscape.

46. After having worked for two brilliant, dynamic entrepreneurs -- Fred Smith at Federal Express and Craig McCaw of McCaw -- both of whom I admired and learned a lot from, I wanted to have the chance to run my own start-up. The excitement surrounding Netscape in 1994 and 1995 is now legendary. The company's flagship product, Netscape Navigator, helped the Web to explode in popularity and fueled the Internet revolution, growing from more than 2 million users by the end of 1994 to 15 million users just one year later.